



# California Health Facilities Financing Authority (CHFFA)

Quarterly Newsletter  
Summer 2013

*Providing low-cost financial  
assistance to public hospitals  
and private, nonprofit health  
care providers in California*

## CHFFA News

### New Mental Health Grant Program

Governor Jerry Brown signed SB 82, the Investment in Mental Health Wellness Act of 2013 (Steinberg), into law June 27, 2013 and with that signature, the Authority will receive a one-time, \$142 million dollar general fund allocation for a mental health wellness grant program for the purpose of cost effectively expanding the number of community based mental health crisis resources in regions and communities selected for funding. The bill authorizes the Authority to administer a competitive grant selection process for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services and crisis residential treatment. Funds are to be made available to selected counties, to counties acting jointly or to private non profit corporations and public agencies if a county so designates. The bill requires the Authority to develop a process for awarding grants after consulting with representatives and interested stakeholders from the mental health community. The Authority has already begun the stakeholder process and aims to establish key criteria as soon as practicable. To learn more, please keep checking CHFFA's website.

### California Health Access Model Program (CHAMP) UPDATE:

Twelve organizations have been invited to submit grant applications for the demonstration project phase of the California Health Access Model Program (CHAMP). From those grant applications, one or more demonstration projects will be chosen to receive grant funding up to a combined total of \$1.5 million. CHAMP's purpose is to support innovative methods of delivering cost effective and quality health care services, including preventive services to individuals where they live or congregate. If a demonstration project results in measurable improvements, a second phase of CHAMP will support organizations that want to replicate the model in other communities. Projects invited to apply include demonstrations of innovative dental care, primary care where mental health services are provided, and health care coordination. A list of organizations invited to apply is available at [www.treasurer.ca.gov/chffa/champ/index.asp](http://www.treasurer.ca.gov/chffa/champ/index.asp).

### CHFFA Team Updates

Judith Frank who had previously served the CHFFA board for over 10 years, was recently reappointed by Governor Jerry Brown to serve as a CHFFA board member for another term of up to three years. Michael Paparian, the previous Executive Director of the CA Pollution Control Financing Authority, was recently appointed as Deputy Treasurer for Treasurer Bill Lockyer. As such he has succeeded Patricia Wynne, who retired March 31st, as the new Chairperson for the CHFFA board. Also, CHFFA has a new student intern, Max Stayman, who is currently working on providing the CHFFA Team with news summaries on healthcare, stem cell research, and CA healthcare reform. He is also assisting with the Children's Hospital Program regulations. We are happy to have all as a part of the CHFFA Team.

### CHFFA Board Members



**Bill Lockyer**  
State Treasurer  
and Chair



**John Chiang**  
State Controller



**Ana Matosantos**  
Director of  
Finance



**Judith Frank**



**Jay Hansen**



**Ann Madden  
Rice**



**Oscar Sablan,  
M.D.**



**Jack Buckhorn**



**Samuel Qiu**

## Featured CHFFA Board Member

### Judith Frank

*Judith Frank had been a board member for CHFFA for over 10 years and was recently reappointed by Governor Jerry Brown for another three years. She holds a B.A. degree from UC Berkeley, an M.S. degree in City and Regional Planning from USC, an M.B.A from UCLA, and is a licensed real estate broker. Ms. Frank brings a unique perspective to the CHFFA board because of her background in real estate and vast experience gained from her senior executive real estate positions held at Fox Film Corporation and Warner Brothers. Ms. Frank likes the fact that CHFFA is able to help both large and small health organizations and says she enjoys CHFFA staff and "what we do and how we do it." Ms. Frank serves on and chairs various boards and is the principal of Asset Strategies, a consulting practice she established in 1993. She is an avid downhill skier and a member in the International Women's Forum where she has the opportunity to connect with the world's most preeminent women of significant and diverse achievement. Through her membership she has had the opportunity to travel to Moscow, Jordan, Morocco, Ireland, Ecuador, and most recently to Jamaica to attend conferences and meet incredible people from all over the world.*

## CHFFA Recent Financings

St. Joseph Health System ("SJHS") was recently approved by the board for \$850 million in tax exempt bonds to be used for the purpose of financing new capital projects at five SJHS acute care hospital facilities and for the purpose of refunding the outstanding City of Newport Beach bonds of Hoag Memorial Hospital Presbyterian, a new affiliate of SJHS. *Carolyn Aboubechara and Bianca Smith*

Providence Health System—Southern California ("PHS Southern California") was recently approved by the board for \$149,705,000 in tax exempt bonds to be used to refund a portion of the CHFFA/Providence Health & Services Series 2008C Fixed Rate Bonds. PHS Southern California expects to achieve approximately \$9 million in net present value savings from the proposed refunding over the life of the bonds due to the lower interest rates expected. *Paul Dulai and Brock Lewis*

Rady's Children's Hospital San Diego was recently approved by the board for a Children's Hospital Program Proposition 3 grant in the amount of \$2,188,859 to remodel and equip the relocated Helen M. Bernardy Center for Medically Fragile Children and the interventional catheterization laboratory. *Jim Rennie*

## Health Care News Summary

*Prepared by Max Stayman  
June 23, 2013*

### Hospitals Cut Some Surgery Prices After CalPERS Caps Reimbursements Los Angeles Times—*Chad Terhune*

Results of a pilot program between CalPERS and Anthem Blue Cross shows that using reference pricing to set limits on employer contributions to health costs can push patients to look for cheaper alternatives and incentivize hospitals to slash excessive fees. As part of the program, CalPERS told its Anthem Blue Cross members that it would only pay up to \$30,000 for a knee or hip replacement. Employees were provided with a list of hospitals believed to have higher quality of care for less money, and encouraged to take their business elsewhere. As a result of this program, the average price for these procedures at the more expensive hospitals fell 37% because hospitals didn't want to lose business. CalPERS is now thinking about expanding this policy to more procedures, and companies in the private sector are watching closely to see if they want to employ the same strategy.

## Covered California News Summary

*Prepared by Max Stayman  
June 25, 2013*

### Covered California Awards \$3.4M Grant to Help People Enrolling in Health Benefit Exchange Sacramento Business Journal *Kathy Robertson*

Covered California has awarded a \$3.4 million grant to the Health Consumer Alliance to provide community based consumer assistance to people enrolled in the new state health benefit exchange. The Health Consumer Alliance is a consortium of 11 legal aid service groups who are coming together to disseminate information about the exchange.

## Stem Cell News Summary

*Prepared by Max Stayman  
June 24, 2013*

### Targeted Viral Therapy Destroys Breast Cancer Stem Cells in Preclinical Experiments Science Daily

Researchers at the Virginia Commonwealth University (VCU) Institute of Molecular Medicine and the VCU Massey Cancer Center are developing a treatment for breast cancer that has in animals been shown to kill cancer stem cells without damaging healthy ones. These stem cells are crucial to cancer recurrence because they divide rapidly and help create new tumors that are often therapy resistant. The central gene to this new treatment is melanoma differentiation associated gene 7 (mda 7), also known as interleukin (IL) 24, and has been shown to be safe in a phase I clinical trial involving patients with advanced cancers. Researchers are also hopeful that the gene could be effective against breast, prostate, lung, colorectal, ovarian, pancreatic and brain cancers.

## Featured CHFFA Employee

### Janae Davis

*Janae Davis has been an Associate Treasury Program Officer for CHFFA for a little over a year. Mrs. Davis returned to the State Treasurer's Office (STO) where she started in 1989 after a twelve year break to raise her two children, who are now both teenagers. Mrs. Davis previously worked for the CA Debt and Investment Advisory Commission and the CA Tax Credit Allocation Committee in the STO. She holds B.A. degrees in Political Science-Public Service and Business Economics from UC Santa Barbara, and a Master's degree in Public Policy and Administration from CA State University, Sacramento. She really enjoys the knowledgeable people she works with at CHFFA and especially likes how much "they care about the public benefit provided in expanding access to healthcare." Mrs. Davis works on providing investment in improved healthcare for children through the CHFFA's Children's Hospital Program. She enjoys playing tennis, and is very involved in her children's tennis and volleyball activities. She volunteers at her children's schools and loves to travel to her family's favorite vacation spots in Lake Tahoe, California and Sunriver, Oregon.*

## California Health Facilities Financing Authority

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